

POST 2006 INITIATIVE

PROGRESS REPORT

WORKING GROUP: Energy Assistance

DATE: 8/20/04

LOCATION: ICC Chicago

I ATTENDEES:

Representatives of ICC, IEA, Ameren, Commonwealth Edison, Nicor, Peoples, MidAmerican Energy, Mt. Carmel, IL Public Aid (PA), IL Natural Resources (DNR), IL Lt. Governor, Cook County States Attorney, IL Municipal Electric Agency (IMEA), IL Industrial Electric Consumers (IIEC), Constellation New Energy, IL Community Action Assn, Community Energy Cooperative, Low Income Advocacy Project & Spire Solar attended, twenty-seven in person and five by phone hookup to ICC's Springfield office. A complete log is available from Conveners if desired.

II a ISSUES DISCUSSED FROM FINAL ISSUES LIST

Most of the meeting was spent discussing potential consensus items under the various issues and assigning topics to participants to draft language which will be considered at the 8/27 meeting.

Issue 90 – “How should state energy assistance programs be provided for low-income customers who cannot afford to pay just and reasonable rates?”

- Larry Dawson and Charles Jackson of IDPA discussed the current LIHEAP program. The program transferred from DCEO to DPA on July 1, 2004. The Energy Assistance Act requires them to serve 225,000 participants and their annual goal is to reach 300,000. Funding for LIHEAP is finite, not an “entitlement” program such as food stamps. A Policy Advisory Council (PAC) is created by the Energy Assistance Act to provide review and suggestions of possible modifications to the program. A new computer system is set to go on-line this fall and all participants expressed enthusiasm about the improvements that will occur. Other Work Group members expressed that LIHEAP is a vital program, which works well but enhancements to the program can/should be considered. Heating season and volatile gas prices present a large challenge. Specific topics discussed were:
- **Eligible participants** – consensus was reached previously and still exists that the current definition of 150% of federal poverty level should remain.
- **Priority period for applications** – current practice allows seniors, disabled and those currently disconnected to apply before the general application period. There was consensus that this was a positive concept and that a recommendation should be sent to the PAC to consider expansion to include those that might be defined as the “poorest of the poor”.
- **Percentage of Income Plan** – John Colgan and Alan Cherry will draft language for consideration on what aspects of a PIP might attain consensus and to what group(s) a recommendation should be directed for further consideration (PAC, ICC, Legislature)
- **Year Round Program** – Alan Cherry to draft language for consideration on why a program that also considers the cooling season as well as the heating season is needed.
- **Energy Efficiency Education program** – Larry Dawson and Eric Hudson to draft language detailing the benefits and pilot project of this type of program
- **Disconnect/Reconnect cycle change** – Gerry Fox to draft language for consideration on ways to address the emergency nature that might be avoided if programs addressed issues about disconnections in advance. A pilot program in this regard may also be explained.
- **Municipal Utility/Cooperative participation in LIHEAP** – Doc Mueller will draft language for consideration that such participation should remain voluntary.

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- **Administrative improvements to LIHEAP Program** – Larry Dawson will detail some current modification underway or under consideration by IDPA for report inclusion.
- **Need for Admin Code Part 280 modifications or legislative action** – Gerry Fox will draft language for consideration that discusses whether either of these actions are needed for topics other than the specific topics mentioned above.

Issue 91 – “Is the current surcharge level adequate for energy assistance?”

- Besides the Energy Assistance Charge, the EAWG was asked to consider the funding of the companion Renewable Energy/Clean Coal Technology Charge. It was clarified that while these are often referred to as “meter charges”, they are more accurately described as “account charges”, applicable to all delivery customers of the delivery company.
- **Energy Assistance Charge** – Alan Cherry will draft language for consideration that addresses both the “equalizing” of the amounts provided by residential and non-residential customers as well as possible increase of the funds to be generated by this charge. Fund currently provides approximately \$70 – 76 MM annually. There is opposition from some members to increasing this charge
- **Renewable Energy/Coal Technology Charge** – Mark Burger will draft language for consideration of an increase in these charges. Again there is opposition from some members to any increase in this charge. The annual amounts generated currently are about \$4.7 MM for each fund.

Additional Issues – “What, if any, will be the effect on state energy assistance programs of the method(s) of procuring power used or power supplied directly to customers by ARES in the Post 2006 energy environment?”

- The previous discussion of this question concluded that procurement methods under deregulation should have no impact on energy assistance programs.

II b OTHER ISSUES DISCUSSED

- Anti-trust guidelines in effect for the meeting were referenced.
- Reviewed Progress Report from August 13

III PRESENTERS –

IV PRESENTATION SUMMARIES –

V CONCLUSIONS REACHED – Detailed in Final Issues List

VI COMMENTS – None

VII TOPICS FOR NEXT MEETING - Consideration of language proposals to be included in Final Report of this Work Group.

VIII TIME AND LOCATION OF NEXT MEETING

Friday, August 27 at ICC Chicago office Room 808 from 11:00 am – 2:30 pm, with phone connection to ICC Springfield office.

Jim Monk/Jon Carls, Co-Conveners